

April 18, 1969

a Situation in Brazil

Foreign

Mr. Roberto Campos, former Brazilian Minister of Planning

American

Mr. Jack B. Kubisch, Brazil Country Director

ARA - Mr. Crimmins

LA - Mr. Fowler

INR/RAR - Mr. Schlaudeman

CIA - [REDACTED]

FOIA(b)(3) - 50 USC 403g - CIA

American Embassy Rio - Minister Belton (2)

Roberto Campos was in Washington for the day and evening in connection with his responsibilities as president of CICYP. Having known him well and as personal friends for some years, I arranged to have a private drink with him after work and asked him about the situation in Brazil.

Campos said that the economic situation, on the whole, was favorable. The agricultural sector, which had not looked too good earlier this year, was improving now and the prospect was for fair to good harvests in the important crops. Although he had not yet seen the cost of living figures and wholesale price index for March--which turned out to be somewhat disappointing, especially in Guanabara--he thought that steady progress was being made on the anti-inflation front, that the fiscal side was well under control, and even that credit expansion was being held to acceptable levels.

Group 3

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Declassified Authority: 44281 By: Laurie Madsen
Date: 04-14-2015

In the political sphere, however, Campos thought the situation was bad and, perhaps, deteriorating. He regretted the "repressive" character of the regime and was worried about the outlook. He thought that Costa e Silva was in a shaky position from December well into March but that by the end of March, following military promotions and reassignments, he was in a stronger position than at any time subsequent to the December 13 crisis.

Indeed, Campos thought, this was precisely the problem: things were going along fairly well, the economic factors were good, disturbances were under control, the worst in confrontations with the Church, students, and terrorism seemed to have passed--for the moment at least, the professional political class had been discredited -- therefore, the military backers of the present regime were concluding, the present arrangements must be just about what Brazil needs. The military had had this taste of power and they seemed to like it, perhaps even thirsting for more--the appetite growing by what it is feeding on.

In response to my questioning, Campos said that there was consensus that Costa e Silva was "inadequate." However there was no consensus on his replacement, and that is probably what saved him in December and may still be saving him today. Who knows next time, Campos wondered, if there is consensus on a replacement, Costa e Silva will probably not survive the crisis.

Comment: There has been a gradual but distinct change in Campos' point of view over the past 18 months or so, probably reflecting the growing span of time since his departure from the Government. He was not bitter or harsh in his criticism of the Costa e Silva Administration, as he had been with me on earlier occasions. While he seemed somewhat apprehensive about the outlook in Brazil, he did not give the impression that he was acutely concerned. Perhaps this is one of the most significant things about this conversation--his generally relaxed attitude (although this

could have been attributable in part to a pretty hefty martini after a long and rushy day). Also, he is clearly in the private sector now and seems to be making money, thus making the transition from a crusading government developmentalist to a fat cat.

With reference to Carlucci's April 8 conversation with Lacerda, there was ample opportunity during this conversation for Campos to discuss anti-regime plotting and a possible golpe with me, and I think I know him well enough that he wouldn't have intentionally avoided the subject. He did not raise it, nor did I, except for the glancing point on the consensus about Costa e Silva. In all probability he is not attaching much importance to it. I tend to agree with Magalhães Lins. If Lacerda knows of coup plans, so does the GOB, and it is not likely that Campos himself would be in the dark.